

FISCAL NOTE

SB 3189 - HB 3301

March 8, 2004

SUMMARY OF BILL: Provides a franchise and excise tax exemption for corporations or limited liability companies controlled by a non-profit entity, organized for the purpose of preserving or rehabilitating a property listed on the National Register of Historic Places, provided the property is used in the performance of the exempt function of the controlling non-profit entity.

ESTIMATED FISCAL IMPACT:

Decrease State Revenues - Less than \$20,000

The Department of Revenue indicates that declines in revenue resulting from this bill may possibly be offset by secondary effects. According to the Department of Revenue, when a 501(c)(3) has majority ownership control over an LLC formed for the purpose of rehabilitating historic property as defined in this bill, the LLC is able to sell tax credits to fund the rehabilitation of the historic property. These credits can be valued in the millions of dollars. To the extent that taxable sales occur utilizing these funds, there may be increased revenues to the state and local governments. Any such effects are not sufficiently measurable to be included in the quantifiable fiscal impact of this bill.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "James W. White". The signature is fluid and cursive, with the first name "James" written in a smaller, more compact script than the last name "White".

James W. White, Executive Director